

# Consumer watchdog wary of pitch by Questar

## 'Decoupling': The utility wants to change the way it bills customers for distribution

By Steven Oberbeck  
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The Utah Committee of Consumer Services is speaking out against a proposal by Questar Gas to change the way it bills customers for the costs of operating its distribution system.

In a statement issued Thursday, Consumer Committee Interim Director Reed Warnick said the plan "provides clear benefits to Questar Gas Co. but uncertain benefits, if any, to ratepayers."

Questar Gas Co. asked the Utah Public Service in December to change the way it charges customers to address what it contends is a long-standing problem.

Under its current rate structure, the money the utility collects from each customer for the fixed costs of operating its distribution system - costs such as employee wages, outlays for its buildings and expenditures for pipes, trucks and equipment - is tied to the amount of natural gas used in each home.

The problem is that when customers cut back on gas use - and many already have because of the rising cost of the fuel - company revenues suffer and Questar Gas has a harder time collecting enough money to cover operating expenses.

Questar's solution: Ask the PSC to allow it to "decouple" the amount it charges customers for natural gas from the charges it levies to cover operating expenses. That strategy, the company says, would allow it to cover operating costs while, at the same time, encouraging customers to cut back on natural gas usage.

Warnick's skepticism was shared by Leslie Reberg, who was Committee of Consumer Services director when the proposal was made but who has since resigned. "This could be a way for the company to lock in its profits during those times when natural gas usage is declining," she said in December.

Warnick said the committee supports energy conservation measures. He believes there are better ways to give Questar Gas the incentive to identify and promote conservation than a "full sales and revenue decoupling mechanism."

But Questar Gas spokesman Chad Jones said that if the company's proposal was in place over the past three years, it would have saved consumers \$18 million to \$20 million annually as the result of company programs that would have encouraged customers to cut back on their use of natural gas.

The PSC originally scheduled hearings on Questar's proposal for Monday. But those proceedings have been rescheduled for late August and early September at the request of the committee, Questar and the Utah Division of Public Utilities.

"If the committee feels it needs additional time to consider our proposal, then we believe they should get it," Jones said.

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